

DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

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<http://www.dgs.ca.gov/opsc>


February 18, 1998

Mass Mailer #98-02

To: All School Districts and County Superintendents

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On January 28, 1998, the State Allocation Board (SAB) apportioned approximately \$7.1 million for on-going projects, bid approvals and hardship projects. The SAB also addressed other issues as follows:

Consent Calendar

The Furniture and Equipment Index increased from 1.34 to 1.35, effective for projects for which bids are opened on or after January 1, 1998. The Historical Savings Index increased from 5.91 to 5.93, effective January 1, 1998. There was no change in the Class B and Class D Construction Cost Indexes; both remain at 1.29.

The consent agenda included Phase P, S and C "unfunded approvals" for more than 166 projects, including Joint Use projects, which when added to the previous list of "unfunded" projects results in a total of \$758.9 million of "unfunded" projects.

Administrative Expenses

The SAB took action to increase the supplemental apportionment for administrative expenses for school districts with current average daily attendance of 2,500 or less, effective January 28, 1998. Education Code Section 17019.5 allows the SAB to approve supplemental apportionments for administrative expenses incurred as a result of small districts filing an application for new construction and/or modernization. The allowance permitted is based upon a project's initial approval date and may be requested by checking the appropriate box on the Form SAB 506, Application for Apportionment. The adjusted maximum allowances are as follows:

	<u>1998 Allowance</u>
New Construction	\$ 6,958
Modernization	\$ 1,674

Developer Fee Adjustment

A report was presented to the SAB pursuant to Government Code Section 65995 (b)(3), which requires that the maximum school developer fee be adjusted in 1990 and every two years thereafter by an amount equivalent to the change in the Class B construction cost index, as determined by the SAB at its January Board meeting. The maximum developer fee which may be levied pursuant to Government Code Section 53080, was adjusted, effective January 28, 1998, as follows:

	<u>New Maximum Fee</u>
Residential	\$ 1.93
Commercial/Industrial	\$.31

Any questions regarding the developer fee may be directed to Carolyn Harmon at (916) 322-0315 or via e-mail at charmon@dgs.ca.gov.

Joint Use Program

On December 3, 1997, the SAB apportioned certain Joint Use projects and directed the Office of Public School Construction (OPSC) to review the remaining Joint Use applications to determine if a valid agreement was in place as of the final filing date. A report of the findings by the OPSC was presented to the SAB at this meeting.

The SAB made "unfunded approvals" for the applicant district's Phase P's and Phase C's, as shown on Attachment A of the Joint Use item. The SAB also provided that the projects, as shown on Attachment B of the Joint Use item, are eligible for reimbursement as of January 28, 1998, pending final review by legal counsel. These applications will be brought back for final approval at the March SAB meeting. The SAB did not approve the projects, as shown on Attachment C of the Joint Use item, since the applications did not meet the minimum requirements of the program. Various project revisions and withdrawals were also made at this SAB meeting. The affected districts will be notified by separate letter. Any questions regarding Joint Use projects may be directed to your Project Manager.

New Construction and Modernization Appeals

New construction and modernization Phase P appeal requests were presented to the SAB, which were deemed to have been received in time to be included on the May 1, 1996, "Unfunded List". Since the SAB is out of funds, the projects received "unfunded approvals" with an "unfunded" date of April 1, 1997.

Amendment to the Reimbursement Policy

The SAB approved an amendment to the Reimbursement Policy to include eligible site development expenditures incurred within eight months of the time a project would have received a Phase C "unfunded approval" during the period between May 29, 1996, and April 30, 1997. The SAB suspended the "unfunded approval" process during that time period. Any questions regarding the Reimbursement Policy may be directed to Carolyn Harmon at (916) 322-0315 or via e-mail at charmon@dgs.ca.gov.

Other Issues of Concern

1. Districts are advised that currently funded projects for construction must declare in writing, **prior to bid opening**, whether the Educational Technology (ET) work is included in the plans and specifications (P&S), or if it will be bid as deferred work. If the district architect does not address the ET in the cost estimate, the ET allowance will automatically be deferred for future, and amendments to the bid approval shall not be permitted. For a project processed for an "unfunded approval" for Phase C, the ET allowance is included in the project budget, subject to the outcome of future funding requirements. Please contact your Project Manager for further details.
2. Should a district wish to convert a Priority Two (100 percent) project to a Priority One (50/50), it may do so by filing an amended Form SAB 506, Application for Apportionment. If the district has received an actual apportionment and release of funds, the district must first return to the State half of the funds released before the conversion can occur. A Consent item would then be presented to the SAB for approval and reduction in the apportionment. Providing the project scope does not change, the project phase approval date(s) will remain the same. For information about conversion of a Priority One to a Priority Two project, please contact your Project Manager.

3. Lease-Purchase application documents are in the process of being revised. The Form SAB 600, Justification Document, will be modified to exclude any year-round school reductions for modernization projects. If your district is in the process of filing or has recently filed a modernization project application, you may wish to contact your Project Manager or Don Hartin at (916) 445-0529 or via e-mail at dhartin@dgs.ca.gov for further information regarding the impact to your district. The revised forms will be available soon on the Internet at www.dgs.ca.gov/opsc/forms.htm.
4. Districts that have received conditional "unfunded approvals" in the past, that did not proceed with the project justification, have been notified of the OPSC's intent to present these projects for possible rescission at the March SAB meeting. In addition, districts that have filed applications that could not be justified for purposes of eligibility have also been notified regarding the OPSC's intent to place these projects on a withdrawn list. Any questions regarding these projects should be directed to Don Hartin at (916) 445-0529 or via e-mail at dhartin@dgs.ca.gov.
5. The OPSC will present an item to the SAB at its February 25, 1998, meeting to fund the previously "unfunded" change orders of approximately \$1.4 million. Questions regarding the change order process may be directed to George Shaw at (916) 322-0331 or via e-mail at gshaw@dgs.ca.gov.
6. Districts are advised that because of the limited storage space available, the OPSC can no longer accept hard copies of the Plans & Specifications submitted for review by the OPSC. Plans must be submitted in the form of CD-ROM or "Zip Drive", readable by AutoCAD 14. Specifications may be included with the Plans or on a separate diskette. A certification from the district architect must be submitted with the Plans & Specifications that certifies the exact Plans on the CD-ROM or "Zip Drive", and the exact Specifications on diskette have been approved by the Division of the State Architect (DSA). The certification must include the dates of approval and the appropriate DSA number(s) for structural, handicapped access and fire safety. Districts that are unable to submit Plans on CD-ROM or "Zip Drive" may send a letter to the OPSC requesting approval to submit traditional blue print drawings. Further instructions regarding the submittal of Plans & Specifications may be located on the Internet at www.dgs.ca.gov/opsc/forms/cocat.htm.

We would like to thank the county and school district representatives that came to our Open House on January 27, 1998. We were very pleased with the turnout and the positive comments received. If you did not have an opportunity to attend but would like to make arrangements to visit our office, please contact your Project Manager. It would be our pleasure to arrange a personal tour.

For your convenience, copies of the applicable agenda items regarding the issues discussed in this letter are attached. Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

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Attachments